

I certify that the attached is a true and
correct copy of HR #5 which
was filed of record on JUN 4 1987 AM 10:41
and referred to the committee on:
Business and Commerce HOUSE OF REPRESENTATIVES

Betty Murray
Chief Clerk of the House

FILED JUN 4 1987

By *[Signature]*

H.J.R. No. 5

SECOND CALLED SESSION

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the establishment
2 of the Texas growth fund and the investment of certain state funds
3 in businesses in the state to promote and encourage economic
4 development of the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article XVI of the Texas Constitution is amended
7 by adding Section 70 to read as follows:

8 Sec. 70. (a) In this section:

9 (1) "Board of trustees" means the board of trustees of the
10 Texas growth fund.

11 (2) "Fund" means the Texas growth fund.

12 (3) "Venture capital investment" means an investment in
13 debt, equity, or a combination of debt and equity that possesses
14 the potential for substantial investment returns, and includes
15 investments in new or small businesses, investments in businesses
16 with rapid growth potential, or investments in applied research and
17 organizational activities leading to business formation and
18 opportunities involving new or improved processes or products.

19 (b) The Texas growth fund is created as a trust fund.
20 Except as otherwise provided by this section, the fund is subject
21 to the general laws of this state governing private sector trusts.
22 The governing boards of the permanent university fund, the
23 permanent school fund, the Teacher Retirement System of Texas, the
24 Employees Retirement System of Texas, and any other pension system

1 created under this constitution or by statute of this state in
2 their sole discretion may make investments in the fund.

3 (c) The fund is managed by a board of trustees consisting of
4 four public members appointed by the governor and one member from
5 and elected by the membership of each of the following:

6 (1) the Board of Regents of The University of Texas System;

7 (2) the Board of Regents of The Texas A&M University System;

8 (3) the Board of Trustees of the Teacher Retirement System
9 of Texas;

10 (4) the Board of Trustees of the Employees Retirement System
11 of Texas; and

12 (5) the State Board of Education.

13 (d) Each public member of the board must have demonstrated
14 substantial investment expertise. A public member serves for a
15 six-year term expiring February 1 of an odd-numbered year.

16 (e) A person filling an elected position on the board of
17 trustees ceases to be a member of the board of trustees when the
18 person ceases to be a member of the board the person represents or
19 as otherwise provided by procedures adopted by the board the person
20 represents. The governor shall designate a chairman from among the
21 members of the board of trustees who serves a term of two years
22 expiring February 1 of each odd-numbered year. A member may serve
23 more than one term as chairman.

24 (f) The board of trustees shall manage the investment of the
25 fund, and may:

26 (1) employ and retain staff, including a chief executive
27 officer;

1 (2) analyze and structure investments;
2 (3) set investment policy of the fund;
3 (4) take any action necessary for the creation,
4 administration, and protection of the fund;
5 (5) enter into investment contracts with the participating
6 funds or systems;
7 (6) adopt rules regarding the operation of the fund;
8 (7) pay expenses of the fund based on an assessment on
9 investor contributions; and
10 (8) alternatively, or in combination with its own staff,
11 contract for the management of investments under this section with
12 a private investment management firm or with an investing fund or
13 system electing a member of the board of trustees.
14 (g) In making investments, including venture capital
15 investments, the board of trustees shall exercise the judgment and
16 care under the circumstances then prevailing that persons of
17 ordinary prudence, discretion, and intelligence exercise in the
18 management of their own affairs, not in regard to speculation but
19 in regard to the permanent disposition of their funds, considering
20 the probable income as well as the probable safety of the capital
21 of the fund. All investments of the fund shall be directly related
22 to the creation, retention, or expansion of employment opportunity
23 and economic growth in Texas. In making venture capital
24 investments, all other material matters being equal, the board of
25 trustees shall invest in technological advances that could be
26 expected to result in the greatest increase in employment
27 opportunity and economic growth in Texas.

1 (h) The board of trustees shall establish and operate the
2 fund to the extent practical under the generally accepted business
3 procedures relating to a mutual fund and shall value the
4 investments for determining the purchase or sales price of
5 participating shares of investing funds or systems participating in
6 the fund consistent with investment contracts. Evidences of
7 participation in the fund shall be held by the state treasurer in
8 keeping with the custodial responsibilities of that office.

9 (i) An investing fund or system, without liability at law or
10 in equity to members of the governing board of the fund or system
11 in their personal or official capacities, may cumulatively invest
12 in the Texas growth fund not more than one percent of the book or
13 cost value of the investing fund or system, as determined at the
14 end of each fiscal year.

15 (j) The board of trustees shall establish criteria for the
16 investment of not more than 10 percent of the fund in venture
17 capital investments. Not more than 25 percent of the funds
18 available for venture capital investments may be used for
19 unilateral investment. Investments of the remainder of the funds
20 available for venture capital investments must be matched at least
21 equally by funds from sources other than the fund, with matching
22 amounts established by the board of trustees. The board of
23 trustees shall also establish criteria for the investment of not
24 less than 50 percent of the fund in equity or debt security, or a
25 combination of equity and debt security, for the initial
26 construction, expansion, or modernization of business or industrial
27 facilities in Texas. The board of trustees may invest in money

1 funds whose underlying investments are consistent and acceptable
2 under the investment policy of the fund.

3 (k) On a quarterly basis, the amount of income realized on
4 investments under this section shall be distributed to each of the
5 systems and funds investing in the Texas growth fund in proportion
6 to the number of participating shares of each investing system and
7 fund. Capital appreciation becomes a part of the corpus of the
8 Texas growth fund and shall be distributed in accordance with the
9 investment contracts.

10 (l) The board of trustees shall make arrangements to begin
11 liquidation, phase out investments, and return the principal and
12 capital gains on investments to the investors in the fund not later
13 than the 10th anniversary of the date of the adoption of this
14 section. Except under unusual circumstances where it may be
15 necessary to protect investments previously made, further
16 investments may not be made in or by the fund after the 10th
17 anniversary of the date of the adoption of this section.

18 (m) At the regular legislative session next preceding the
19 10th anniversary of the date of the adoption of this section, the
20 legislature, by two-thirds vote of each house, may authorize the
21 creation of Texas growth fund II, which shall operate under this
22 section and under the board of trustees created by this section in
23 the same manner as the Texas growth fund. Funds in Texas growth
24 fund II may not be commingled with funds in the Texas growth fund.

25 (n) The board of trustees may purchase liability insurance
26 for the coverage of the trustees, employees, and agents of the
27 board.

1 (o) The legislature shall provide by law for the periodic
2 review of the board of trustees in the same manner and at the same
3 intervals as it provides for review of other state agencies, except
4 that the legislature shall provide that the board of trustees is
5 not subject to abolishment as part of the review process.

6 (p) This section expires September 1, 1998, except that if
7 the legislature authorizes the creation of Texas growth fund II as
8 provided by Subsection (m) of this section, this section expires
9 September 1, 2008.

10 (q) This section is self-executing and takes effect on its
11 adoption by the voters. All state officials named in this section,
12 the state treasurer, and the comptroller of public accounts shall
13 take all necessary actions for the implementation of this section.
14 The legislature shall provide by law for full disclosure of all
15 details concerning investments authorized by this section.

16 SECTION 2. Article VII of the Texas Constitution is amended
17 by adding Section 11b to read as follows:

18 Sec. 11b. Notwithstanding any other provision of this
19 constitution, in managing the assets of the permanent university
20 fund, the Board of Regents of The University of Texas System may
21 acquire, exchange, sell, supervise, manage, or retain, through
22 procedures and subject to restrictions it establishes and in
23 amounts it considers appropriate, any kind of investment, including
24 investments in the Texas growth fund created by Article XVI,
25 Section 70, of this constitution, that persons of ordinary
26 prudence, discretion, and intelligence, exercising the judgment and
27 care under the circumstances then prevailing, acquire or retain for

1 their own account in the management of their affairs, not in regard
2 to speculation but in regard to the permanent disposition of their
3 funds, considering the probable income as well as the probable
4 safety of their capital. This section does not affect the state
5 treasurer's custodial responsibilities for public funds,
6 securities, and other evidences of investment.

7 SECTION 3. Article VII, Section 5, of the Texas Constitution
8 is amended by adding Subsection (d) to read as follows:

9 (d) Notwithstanding any other provision of this
10 constitution, in managing the assets of the permanent school fund,
11 the State Board of Education may acquire, exchange, sell,
12 supervise, manage, or retain, through procedures and subject to
13 restrictions it establishes and in amounts it considers
14 appropriate, any kind of investment, including investments in the
15 Texas growth fund created by Article XVI, Section 70, of this
16 constitution, that persons of ordinary prudence, discretion, and
17 intelligence, exercising the judgment and care under the
18 circumstances then prevailing, acquire or retain for their own
19 account in the management of their affairs, not in regard to
20 speculation but in regard to the permanent disposition of their
21 funds, considering the probable income as well as the probable
22 safety of their capital.

23 SECTION 4. The following unnumbered transitional provision
24 is added to the Texas Constitution to read as follows:

25 TRANSITIONAL PROVISION. (a) In making the initial
26 appointments of public members of the board of trustees of the

1 Texas growth fund, the governor shall appoint two members
2 for terms expiring February 1, 1991, and two for terms
3 expiring February 1, 1993.

4 (b) This provision expires September 1, 1989.

5 Section 5. This proposed amendment shall be submitted
6 to the voters at an election to be held November 8, 1988.
7 The ballot shall be printed to provide for voting for or
8 against the proposition: "The constitutional amendment to
9 provide for the investment of the permanent university fund,
10 the permanent school fund, and public employee retirement
11 systems in the Texas growth fund created by the amendment,
12 which will directly create, retain, and expand job
13 opportunity and economic growth in Texas."

HOUSE COMMITTEE REPORT

1987 JUN 25 PM 2:37
HOUSE OF REPRESENTATIVES

1st Printing

By Schlueter

H.J.R. No. 5

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the establishment
2 of the Texas growth fund and the investment of certain state funds
3 in businesses in the state to promote and encourage economic
4 development of the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article XVI of the Texas Constitution is amended
7 by adding Section 70 to read as follows:

8 Sec. 70. (a) In this section:

9 (1) "Board of trustees" means the board of trustees of the
10 Texas growth fund.

11 (2) "Fund" means the Texas growth fund.

12 (3) "Venture capital investment" means an investment in
13 debt, equity, or a combination of debt and equity that possesses
14 the potential for substantial investment returns, and includes
15 investments in new or small businesses, investments in businesses
16 with rapid growth potential, or investments in applied research and
17 organizational activities leading to business formation and
18 opportunities involving new or improved processes or products.

19 (b) The Texas growth fund is created as a trust fund.
20 Except as otherwise provided by this section, the fund is subject
21 to the general laws of this state governing private sector trusts.
22 The governing boards of the permanent university fund, the
23 permanent school fund, the Teacher Retirement System of Texas, the
24 Employees Retirement System of Texas, and any other pension system

1 created under this constitution or by statute of this state in
2 their sole discretion may make investments in the fund.

3 (c) The fund is managed by a board of trustees consisting of
4 four public members appointed by the governor and one member from
5 and elected by the membership of each of the following:

6 (1) the Board of Regents of The University of Texas System;

7 (2) the Board of Regents of The Texas A&M University System;

8 (3) the Board of Trustees of the Teacher Retirement System
9 of Texas;

10 (4) the Board of Trustees of the Employees Retirement System
11 of Texas; and

12 (5) the State Board of Education.

13 (d) Each public member of the board must have demonstrated
14 substantial investment expertise. A public member serves for a
15 six-year term expiring February 1 of an odd-numbered year.

16 (e) A person filling an elected position on the board of
17 trustees ceases to be a member of the board of trustees when the
18 person ceases to be a member of the board the person represents or
19 as otherwise provided by procedures adopted by the board the person
20 represents. The governor shall designate a chairman from among the
21 members of the board of trustees who serves a term of two years
22 expiring February 1 of each odd-numbered year. A member may serve
23 more than one term as chairman.

24 (f) The board of trustees shall manage the investment of the
25 fund, and may:

26 (1) employ and retain staff, including a chief executive
27 officer;

- 1 (2) analyze and structure investments;
2 (3) set investment policy of the fund;
3 (4) take any action necessary for the creation,
4 administration, and protection of the fund;
5 (5) enter into investment contracts with the participating
6 funds or systems;
7 (6) adopt rules regarding the operation of the fund;
8 (7) pay expenses of the fund based on an assessment on
9 investor contributions; and
10 (8) alternatively, or in combination with its own staff,
11 contract for the management of investments under this section with
12 a private investment management firm or with an investing fund or
13 system electing a member of the board of trustees.
14 (g) In making investments, including venture capital
15 investments, the board of trustees shall exercise the judgment and
16 care under the circumstances then prevailing that persons of
17 ordinary prudence, discretion, and intelligence exercise in the
18 management of their own affairs, not in regard to speculation but
19 in regard to the permanent disposition of their funds, considering
20 the probable income as well as the probable safety of the capital
21 of the fund. All investments of the fund shall be directly related
22 to the creation, retention, or expansion of employment opportunity
23 and economic growth in Texas. In making venture capital
24 investments, all other material matters being equal, the board of
25 trustees shall invest in technological advances that could be
26 expected to result in the greatest increase in employment
27 opportunity and economic growth in Texas.

1 (h) The board of trustees shall establish and operate the
 2 fund to the extent practical under the generally accepted business
 3 procedures relating to a mutual fund and shall value the
 4 investments for determining the purchase or sales price of
 5 participating shares of investing funds or systems participating in
 6 the fund consistent with investment contracts. Evidences of
 7 participation in the fund shall be held by the state treasurer in
 8 keeping with the custodial responsibilities of that office.

9 (i) An investing fund or system, without liability at law or
 10 in equity to members of the governing board of the fund or system
 11 in their personal or official capacities, may cumulatively invest
 12 in the Texas growth fund not more than one percent of the book or
 13 cost value of the investing fund or system, as determined at the
 14 end of each fiscal year.

15 (j) The board of trustees shall establish criteria for the
 16 investment of not more than 10 percent of the fund in venture
 17 capital investments. Not more than 25 percent of the funds
 18 available for venture capital investments may be used for
 19 unilateral investment. Investments of the remainder of the funds
 20 available for venture capital investments must be matched at least
 21 equally by funds from sources other than the fund, with matching
 22 amounts established by the board of trustees. The board of
 23 trustees shall also establish criteria for the investment of not
 24 less than 50 percent of the fund in equity or debt security, or a
 25 combination of equity and debt security, for the initial
 26 construction, expansion, or modernization of business or industrial
 27 facilities in Texas. The board of trustees may invest in money

1 funds whose underlying investments are consistent and acceptable
2 under the investment policy of the fund.

3 (k) On a quarterly basis, the amount of income realized on
4 investments under this section shall be distributed to each of the
5 systems and funds investing in the Texas growth fund in proportion
6 to the number of participating shares of each investing system and
7 fund. Capital appreciation becomes a part of the corpus of the
8 Texas growth fund and shall be distributed in accordance with the
9 investment contracts.

10 (l) The board of trustees shall make arrangements to begin
11 liquidation, phase out investments, and return the principal and
12 capital gains on investments to the investors in the fund not later
13 than the 10th anniversary of the date of the adoption of this
14 section. Except under unusual circumstances where it may be
15 necessary to protect investments previously made, further
16 investments may not be made in or by the fund after the 10th
17 anniversary of the date of the adoption of this section.

18 (m) At the regular legislative session next preceding the
19 10th anniversary of the date of the adoption of this section, the
20 legislature, by two-thirds vote of each house, may authorize the
21 creation of Texas growth fund II, which shall operate under this
22 section and under the board of trustees created by this section in
23 the same manner as the Texas growth fund. Funds in Texas growth
24 fund II may not be commingled with funds in the Texas growth fund.

25 (n) The board of trustees may purchase liability insurance
26 for the coverage of the trustees, employees, and agents of the
27 board.

1 (o) The legislature shall provide by law for the periodic
2 review of the board of trustees in the same manner and at the same
3 intervals as it provides for review of other state agencies, except
4 that the legislature shall provide that the board of trustees is
5 not subject to abolishment as part of the review process.

6 (p) This section expires September 1, 1998, except that if
7 the legislature authorizes the creation of Texas growth fund II as
8 provided by Subsection (m) of this section, this section expires
9 September 1, 2008.

10 (q) This section is self-executing and takes effect on its
11 adoption by the voters. All state officials named in this section,
12 the state treasurer, and the comptroller of public accounts shall
13 take all necessary actions for the implementation of this section.
14 The legislature shall provide by law for full disclosure of all
15 details concerning investments authorized by this section.

16 SECTION 2. Article VII of the Texas Constitution is amended
17 by adding Section 11b to read as follows:

18 Sec. 11b. Notwithstanding any other provision of this
19 constitution, in managing the assets of the permanent university
20 fund, the Board of Regents of The University of Texas System may
21 acquire, exchange, sell, supervise, manage, or retain, through
22 procedures and subject to restrictions it establishes and in
23 amounts it considers appropriate, any kind of investment, including
24 investments in the Texas growth fund created by Article XVI,
25 Section 70, of this constitution, that persons of ordinary
26 prudence, discretion, and intelligence, exercising the judgment and
27 care under the circumstances then prevailing, acquire or retain for

1 their own account in the management of their affairs, not in regard
2 to speculation but in regard to the permanent disposition of their
3 funds, considering the probable income as well as the probable
4 safety of their capital. This section does not affect the state
5 treasurer's custodial responsibilities for public funds,
6 securities, and other evidences of investment.

7 SECTION 3. Article VII, Section 5, of the Texas Constitution
8 is amended by adding Subsection (d) to read as follows:

9 (d) Notwithstanding any other provision of this
10 constitution, in managing the assets of the permanent school fund,
11 the State Board of Education may acquire, exchange, sell,
12 supervise, manage, or retain, through procedures and subject to
13 restrictions it establishes and in amounts it considers
14 appropriate, any kind of investment, including investments in the
15 Texas growth fund created by Article XVI, Section 70, of this
16 constitution, that persons of ordinary prudence, discretion, and
17 intelligence, exercising the judgment and care under the
18 circumstances then prevailing, acquire or retain for their own
19 account in the management of their affairs, not in regard to
20 speculation but in regard to the permanent disposition of their
21 funds, considering the probable income as well as the probable
22 safety of their capital.

23 SECTION 4. The following unnumbered transitional provision
24 is added to the Texas Constitution to read as follows:

25 TRANSITIONAL PROVISION. (a) In making the initial
26 appointments of public members of the board of trustees of the
27 Texas growth fund, the governor shall appoint two members for terms

1 expiring February 1, 1991, and two for terms expiring February 1,
2 1993.

3 (b) This provision expires September 1, 1989.

4 SECTION 5. This proposed amendment shall be submitted to the
5 voters at an election to be held November 8, 1988. The ballot
6 shall be printed to provide for voting for or against the
7 proposition: "The constitutional amendment to provide for the
8 investment of the permanent university fund, the permanent school
9 fund, and public employee retirement systems in the Texas growth
10 fund created by the amendment, which will directly create, retain,
11 and expand job opportunity and economic growth in Texas."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

6-25-87
(date)

Sir:

We, your COMMITTEE ON BUSINESS & COMMERCE,

to whom was referred HR 5 have had the same under consideration and beg to report
(measure)
back with the recommendation that it

- ☒ do pass, without amendment.
- ☐ do pass, with amendment(s).
- ☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☒ yes ☐ no An actuarial analysis was requested. ☐ yes ☒ no
An author's fiscal statement was requested. ☐ yes ☒ no

~~The Committee recommends that this measure be placed on the (Local) or (Consent) Calendar.~~

This measure ☐ proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Wolens, Ch.				X
Riley, V.C.	X			
Connelly, C.B.O.	X			
Cuellar, H.	X			
Delco				X
Hill, A.	X			
Horn	X			
Oakley	X			
Robnett				X

Total 6 aye
0 nay
0 present, not voting
3 absent

[Signature]
CHAIRMAN
[Signature]
COMMITTEE COORDINATOR

BILL ANALYSIS

BACKGROUND INFORMATION

Venture capital is the money new business ventures need to get started. Venture capital investments generally come with a higher risk, but also can yield very high returns.

Lack of capital makes it difficult for new businesses to get started or for existing businesses to expand. The state does not have any program for matching new business ideas with potential investors.

In addition, the state's largest investment funds--the Permanent School Fund (PSF), the Permanent University Fund (PUF), the Teacher Retirement System (TRS) and the Employee Retirement System (ERS)--do not currently invest in venture capital programs.

PURPOSE

H.J.R. 5 would promote new businesses and create jobs in Texas by establishing the Texas Growth Fund. This fund would provide venture capital for Texas business start-ups while also investing in conventional debt and security issues of existing Texas business or industrial facilities.

The fund would be made up of both public and private funds. The state investment funds--PSF, PUF, TRS, and ERS--would be allowed to voluntarily invest up to one percent of their assets in the fund. State money would be leveraged with private investments.

SECTION BY SECTION ANALYSIS

SECTION 1. amends Article XVI of the Texas Constitution by adding section 70 which:

- a) defines terms.
- b) creates the Texas Growth Fund and allows the governing boards of the PUF, PSF, TRS, ERS, and any other state pension system to make investments in the fund.
- c) requires the fund to be managed by a board of trustees consisting of four public members appointed by the Governor, one member from the Board of Regents of the University of Texas, one member from the Board of Regents of Texas A&M University, one member from the Board of Trustees of the Teacher Retirement System, one member from the Board of Trustees of the Employees Retirement System, and one member from the State Board of Education.
- d) requires each public member have investment expertise. Also sets public member terms at six years expiring February 1 of an odd-numbered year.
- e) stipulates that those members elected to represent their respective boards must resign their membership on the Texas Growth Fund Board if the person ceases to be a member of their board or if they are chosen to no longer represent their board through its guidelines.
- f) states the trustees would have the power to hire staff, set policy, adopt rules, and administer the fund, etc.
- g) requires the board to make prudent investments to strive to create and expand jobs in Texas.
- h) stipulates that the fund is to be operated similar to a mutual fund. The state treasurer will keep all evidence of participation in the fund.

- i) places an investment limit of not more than one percent of the book or cost value of each individual fund investment by an investing fund or system.
- j) establishes criteria for investments.
- k) establishes a distribution system on a quarterly basis.
- l) stipulates that the principal and earnings from the growth fund are to be apportioned back to the state's investment funds within ten years of its adoption.
- m) states no further investments may be made in the growth fund after ten years, unless the legislature authorizes the creation of a Texas Growth Fund II. Also disallows commingling of funds within the two funds.
- n) gives the trustees power to purchase liability insurance.
- o) states the Trust Fund Board will be reviewed but will not be subject to abolishment by the review process.
- p) discusses expiration dates.
- q) makes the constitutional amendment self executing.

SECTION 2. amends Article VII of the Texas Constitution by adding Section 11b which gives the Board of Regents of the University of Texas System power to acquire, exchange, sell, supervise, manage, or retain any kind of investment, including investments in the Texas Growth Fund if done in a prudent manner.

SECTION 3. amends Article VII, Section 5 of the Texas Constitution by adding subsection (d) which requires that investments of the Permanent School Fund by the State Board of Education be made in a prudent manner.

SECTION 4. allows for a transitional provision. The four trustees appointed by the Governor would serve staggered terms.

SECTION 5. sets the constitutional amendment for public vote on November 8, 1988.

RULEMAKING AUTHORITY

This bill would allow the board of trustees of the Texas Growth Fund to establish criteria for the investment of funds.

SUMMARY OF COMMITTEE ACTION

Public notice was posted in accordance with Rule 4, Section 12, Rules and Procedures of the House of Representatives for a formal meeting to be held on June 25, 1987.

The bill was considered on June 25, 1987 in a formal meeting. A motion was made to report the bill favorably to the House with the recommendation that it do pass. The motion carried by a vote of 6 ayes, 0 nays, 0 present not voting and 3 absent.

ADOPTED

JUL 16 1987

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. ①

BY *[Signature]*

1 Amend H.J.R. 5 on page 6, between lines 15 and 16, by
2 inserting the following:
3 (r) The board of trustees may not invest money from the
4 Texas growth fund in a business unless the business has submitted
5 to the board of trustees an affidavit disclosing whether the
6 business has any direct financial investment in or with South
7 Africa or Namibia.

HOUSE ENGROSSMENT

1987 JUL 16 PM 1:18
HOUSE OF REPRESENTATIVES

By Schlueter

H.J.R. No. 5

A JOINT RESOLUTION

proposing a constitutional amendment relating to the establishment of the Texas growth fund and the investment of certain state funds in businesses in the state to promote and encourage economic development of the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article XVI of the Texas Constitution is amended by adding Section 70 to read as follows:

Sec. 70. (a) In this section:

(1) "Board of trustees" means the board of trustees of the Texas growth fund.

(2) "Fund" means the Texas growth fund.

(3) "Venture capital investment" means an investment in debt, equity, or a combination of debt and equity that possesses the potential for substantial investment returns, and includes investments in new or small businesses, investments in businesses with rapid growth potential, or investments in applied research and organizational activities leading to business formation and opportunities involving new or improved processes or products.

(b) The Texas growth fund is created as a trust fund. Except as otherwise provided by this section, the fund is subject to the general laws of this state governing private sector trusts. The governing boards of the permanent university fund, the permanent school fund, the Teacher Retirement System of Texas, the Employees Retirement System of Texas, and any other pension system

1 created under this constitution or by statute of this state in
2 their sole discretion may make investments in the fund.

3 (c) The fund is managed by a board of trustees consisting of
4 four public members appointed by the governor and one member from
5 and elected by the membership of each of the following:

6 (1) the Board of Regents of The University of Texas System;
7 (2) the Board of Regents of The Texas A&M University System;
8 (3) the Board of Trustees of the Teacher Retirement System
9 of Texas;

10 (4) the Board of Trustees of the Employees Retirement System
11 of Texas; and

12 (5) the State Board of Education.

13 (d) Each public member of the board must have demonstrated
14 substantial investment expertise. A public member serves for a
15 six-year term expiring February 1 of an odd-numbered year.

16 (e) A person filling an elected position on the board of
17 trustees ceases to be a member of the board of trustees when the
18 person ceases to be a member of the board the person represents or
19 as otherwise provided by procedures adopted by the board the person
20 represents. The governor shall designate a chairman from among the
21 members of the board of trustees who serves a term of two years
22 expiring February 1 of each odd-numbered year. A member may serve
23 more than one term as chairman.

24 (f) The board of trustees shall manage the investment of the
25 fund, and may:

26 (1) employ and retain staff, including a chief executive
27 officer;

1 (2) analyze and structure investments;
2 (3) set investment policy of the fund;
3 (4) take any action necessary for the creation,
4 administration, and protection of the fund;
5 (5) enter into investment contracts with the participating
6 funds or systems;
7 (6) adopt rules regarding the operation of the fund;
8 (7) pay expenses of the fund based on an assessment on
9 investor contributions; and
10 (8) alternatively, or in combination with its own staff,
11 contract for the management of investments under this section with
12 a private investment management firm or with an investing fund or
13 system electing a member of the board of trustees.
14 (g) In making investments, including venture capital
15 investments, the board of trustees shall exercise the judgment and
16 care under the circumstances then prevailing that persons of
17 ordinary prudence, discretion, and intelligence exercise in the
18 management of their own affairs, not in regard to speculation but
19 in regard to the permanent disposition of their funds, considering
20 the probable income as well as the probable safety of the capital
21 of the fund. All investments of the fund shall be directly related
22 to the creation, retention, or expansion of employment opportunity
23 and economic growth in Texas. In making venture capital
24 investments, all other material matters being equal, the board of
25 trustees shall invest in technological advances that could be
26 expected to result in the greatest increase in employment
27 opportunity and economic growth in Texas.

1 (h) The board of trustees shall establish and operate the
 2 fund to the extent practical under the generally accepted business
 3 procedures relating to a mutual fund and shall value the
 4 investments for determining the purchase or sales price of
 5 participating shares of investing funds or systems participating in
 6 the fund consistent with investment contracts. Evidences of
 7 participation in the fund shall be held by the state treasurer in
 8 keeping with the custodial responsibilities of that office.

9 (i) An investing fund or system, without liability at law or
 10 in equity to members of the governing board of the fund or system
 11 in their personal or official capacities, may cumulatively invest
 12 in the Texas growth fund not more than one percent of the book or
 13 cost value of the investing fund or system, as determined at the
 14 end of each fiscal year.

15 (j) The board of trustees shall establish criteria for the
 16 investment of not more than 10 percent of the fund in venture
 17 capital investments. Not more than 25 percent of the funds
 18 available for venture capital investments may be used for
 19 unilateral investment. Investments of the remainder of the funds
 20 available for venture capital investments must be matched at least
 21 equally by funds from sources other than the fund, with matching
 22 amounts established by the board of trustees. The board of
 23 trustees shall also establish criteria for the investment of not
 24 less than 50 percent of the fund in equity or debt security, or a
 25 combination of equity and debt security, for the initial
 26 construction, expansion, or modernization of business or industrial
 27 facilities in Texas. The board of trustees may invest in money

1 funds whose underlying investments are consistent and acceptable
2 under the investment policy of the fund.

3 (k) On a quarterly basis, the amount of income realized on
4 investments under this section shall be distributed to each of the
5 systems and funds investing in the Texas growth fund in proportion
6 to the number of participating shares of each investing system and
7 fund. Capital appreciation becomes a part of the corpus of the
8 Texas growth fund and shall be distributed in accordance with the
9 investment contracts.

10 (l) The board of trustees shall make arrangements to begin
11 liquidation, phase out investments, and return the principal and
12 capital gains on investments to the investors in the fund not later
13 than the 10th anniversary of the date of the adoption of this
14 section. Except under unusual circumstances where it may be
15 necessary to protect investments previously made, further
16 investments may not be made in or by the fund after the 10th
17 anniversary of the date of the adoption of this section.

18 (m) At the regular legislative session next preceding the
19 10th anniversary of the date of the adoption of this section, the
20 legislature, by two-thirds vote of each house, may authorize the
21 creation of Texas growth fund II, which shall operate under this
22 section and under the board of trustees created by this section in
23 the same manner as the Texas growth fund. Funds in Texas growth
24 fund II may not be commingled with funds in the Texas growth fund.

25 (n) The board of trustees may purchase liability insurance
26 for the coverage of the trustees, employees, and agents of the
27 board.

1 (o) The legislature shall provide by law for the periodic
2 review of the board of trustees in the same manner and at the same
3 intervals as it provides for review of other state agencies, except
4 that the legislature shall provide that the board of trustees is
5 not subject to abolishment as part of the review process.

6 (p) This section expires September 1, 1998, except that if
7 the legislature authorizes the creation of Texas growth fund II as
8 provided by Subsection (m) of this section, this section expires
9 September 1, 2008.

10 (q) This section is self-executing and takes effect on its
11 adoption by the voters. All state officials named in this section,
12 the state treasurer, and the comptroller of public accounts shall
13 take all necessary actions for the implementation of this section.
14 The legislature shall provide by law for full disclosure of all
15 details concerning investments authorized by this section.

16 (r) The board of trustees may not invest money from the
17 Texas growth fund in a business unless the business has submitted
18 to the board of trustees an affidavit disclosing whether the
19 business has any direct financial investment in or with South
20 Africa or Namibia.

21 SECTION 2. Article VII of the Texas Constitution is amended
22 by adding Section 11b to read as follows:

23 Sec. 11b. Notwithstanding any other provision of this
24 constitution, in managing the assets of the permanent university
25 fund, the Board of Regents of The University of Texas System may
26 acquire, exchange, sell, supervise, manage, or retain, through
27 procedures and subject to restrictions it establishes and in

1 amounts it considers appropriate, any kind of investment, including
2 investments in the Texas growth fund created by Article XVI,
3 Section 70, of this constitution, that persons of ordinary
4 prudence, discretion, and intelligence, exercising the judgment and
5 care under the circumstances then prevailing, acquire or retain for
6 their own account in the management of their affairs, not in regard
7 to speculation but in regard to the permanent disposition of their
8 funds, considering the probable income as well as the probable
9 safety of their capital. This section does not affect the state
10 treasurer's custodial responsibilities for public funds,
11 securities, and other evidences of investment.

12 SECTION 3. Article VII, Section 5, of the Texas Constitution
13 is amended by adding Subsection (d) to read as follows:

14 (d) Notwithstanding any other provision of this
15 constitution, in managing the assets of the permanent school fund,
16 the State Board of Education may acquire, exchange, sell,
17 supervise, manage, or retain, through procedures and subject to
18 restrictions it establishes and in amounts it considers
19 appropriate, any kind of investment, including investments in the
20 Texas growth fund created by Article XVI, Section 70, of this
21 constitution, that persons of ordinary prudence, discretion, and
22 intelligence, exercising the judgment and care under the
23 circumstances then prevailing, acquire or retain for their own
24 account in the management of their affairs, not in regard to
25 speculation but in regard to the permanent disposition of their
26 funds, considering the probable income as well as the probable
27 safety of their capital.

1 SECTION 4. The following unnumbered transitional provision
2 is added to the Texas Constitution to read as follows:

3 TRANSITIONAL PROVISION. (a) In making the initial
4 appointments of public members of the board of trustees of the
5 Texas growth fund, the governor shall appoint two members for terms
6 expiring February 1, 1991, and two for terms expiring February 1,
7 1993.

8 (b) This provision expires September 1, 1989.

9 SECTION 5. This proposed amendment shall be submitted to the
10 voters at an election to be held November 8, 1988. The ballot
11 shall be printed to provide for voting for or against the
12 proposition: "The constitutional amendment to provide for the
13 investment of the permanent university fund, the permanent school
14 fund, and public employee retirement systems in the Texas growth
15 fund created by the amendment, which will directly create, retain,
16 and expand job opportunity and economic growth in Texas."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

June 24, 1987

TO: Honorable Steven D. Wolens, Chair In Re: House Joint Resolution No. 5,
Committee on Business and Commerce Second Called Session
House of Representatives By: Schlueter
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 5 (proposing a constitutional amendment relating to the establishment of the Texas growth fund and the investment of certain state funds in businesses in the state to promote and encourage economic development of the state) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to pay the cost of publication of the resolution estimated at \$45,000 in fiscal year 1989.

The resolution would create a trust fund to be known as the Texas Growth Fund, and expand the authorized investments for certain constitutional and retirement system funds. The amendment would appear on the November 8, 1988, ballot.

The Permanent University Fund, the Permanent School Fund, the Teacher Retirement System of Texas, the Employee Retirement System of Texas, and other pension systems created under the constitution would be authorized to cumulatively invest in the Texas Growth Fund up to one percent of their respective assets as determined at the end of each year. As of August 31, 1986, one percent of the value of assets in the four funds amounted to \$254 million.

The fund would be managed and the investment policy set by a Board of Trustees. Four members would be appointed by the Governor and one member elected by and from the membership of each of the following: 1) Board of Regents of The University of Texas, 2) the Board of Regents of Texas A&M, 3) the Board of Trustees of the Teacher Retirement System, 4) the Board of Trustees of the Employees Retirement System, and 5) the State Board of Education.

The Board of Trustees would be responsible for establishing criteria for investments of The Texas Growth Fund in venture capital investments, equity or debt securities, or money funds. All investments of the fund would be required to be directly related to the creation of employment and economic growth in Texas.

Provisions of the bill would require quarterly distribution of investment income from the fund, including capital appreciation, based on the number of participating shares of each system and fund. The Board of Trustees would be required to make arrangements for liquidation of the Texas Growth Fund no later than its tenth anniversary.

The bill would allow for a second investment fund, called the Texas Growth Fund II, to be created with legislative approval upon the tenth anniversary of the establishment of the original growth fund. Once created, the Texas Growth Fund II would be managed in the same manner as the original fund.

In addition to authorizing investment in the Texas Growth Fund, the resolution would allow the Permanent School Fund and the Permanent University Fund to be used for any kind of reasonable investment.

No fiscal implication to units of local government is anticipated. No direct additional cost or change in revenue due to the resolution is anticipated; the indirect fiscal implications because of the potential differences in gains to the four funds cannot be determined because they depend on future returns under the provisions of the resolution compared with future returns under present investment practices of the four funds.

Source: Secretary of State; LBB Staff: JO, HES, JWH, RS, PA

SENATE FAVORABLE COMMITTEE REPORT

Lt. Governor William P. Hobby
President of the Senate

7/17/87
(date)/(time)

Sir:

We, your Committee on STATE AFFAIRS to which was referred
HJR 5 by Schluter have on 7/17, 1987, had the same
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

- ☒ do pass and be printed
() do pass and be ordered not printed
() and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (☒) yes () no

A revised fiscal note was requested. () yes (☒) no

An actuarial analysis was requested. () yes (☒) no

Considered by subcommittee. () yes (☒) no

Senate Sponsor of House Measure Edwards

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Farabee, Chairman				
Blake, Vice Chairman	<input checked="" type="checkbox"/>			
Barrientos	<input checked="" type="checkbox"/>			
Caperton	<input checked="" type="checkbox"/>			
Edwards				<input checked="" type="checkbox"/>
Harris				<input checked="" type="checkbox"/>
Henderson				<input checked="" type="checkbox"/>
Leedom				<input checked="" type="checkbox"/>
Lyon	<input checked="" type="checkbox"/>			
McFarland	<input checked="" type="checkbox"/>			
Parmer	<input checked="" type="checkbox"/>			
Sarpalius				<input checked="" type="checkbox"/>
Washington	<input checked="" type="checkbox"/>			
TOTAL VOTES	<u>7</u>			<u>5</u>

COMMITTEE CLERK

CHAIRMAN

F
ENROLLED

H.J.R. No. 5

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the establishment
2 of the Texas growth fund and the investment of certain state funds
3 in businesses in the state to promote and encourage economic
4 development of the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article XVI of the Texas Constitution is amended
7 by adding Section 70 to read as follows:

8 Sec. 70. (a) In this section:

9 (1) "Board of trustees" means the board of trustees of the
10 Texas growth fund.

11 (2) "Fund" means the Texas growth fund.

12 (3) "Venture capital investment" means an investment in
13 debt, equity, or a combination of debt and equity that possesses
14 the potential for substantial investment returns, and includes
15 investments in new or small businesses, investments in businesses
16 with rapid growth potential, or investments in applied research and
17 organizational activities leading to business formation and
18 opportunities involving new or improved processes or products.

19 (b) The Texas growth fund is created as a trust fund.
20 Except as otherwise provided by this section, the fund is subject
21 to the general laws of this state governing private sector trusts.
22 The governing boards of the permanent university fund, the
23 permanent school fund, the Teacher Retirement System of Texas, the
24 Employees Retirement System of Texas, and any other pension system

1 created under this constitution or by statute of this state in
2 their sole discretion may make investments in the fund.

3 (c) The fund is managed by a board of trustees consisting of
4 four public members appointed by the governor and one member from
5 and elected by the membership of each of the following:

6 (1) the Board of Regents of The University of Texas System;

7 (2) the Board of Regents of The Texas A&M University System;

8 (3) the Board of Trustees of the Teacher Retirement System
9 of Texas;

10 (4) the Board of Trustees of the Employees Retirement System
11 of Texas; and

12 (5) the State Board of Education.

13 (d) Each public member of the board must have demonstrated
14 substantial investment expertise. A public member serves for a
15 six-year term expiring February 1 of an odd-numbered year.

16 (e) A person filling an elected position on the board of
17 trustees ceases to be a member of the board of trustees when the
18 person ceases to be a member of the board the person represents or
19 as otherwise provided by procedures adopted by the board the person
20 represents. The governor shall designate a chairman from among the
21 members of the board of trustees who serves a term of two years
22 expiring February 1 of each odd-numbered year. A member may serve
23 more than one term as chairman.

24 (f) The board of trustees shall manage the investment of the
25 fund, and may:

26 (1) employ and retain staff, including a chief executive
27 officer;

- 1 (2) analyze and structure investments;
- 2 (3) set investment policy of the fund;
- 3 (4) take any action necessary for the creation,
4 administration, and protection of the fund;
- 5 (5) enter into investment contracts with the participating
6 funds or systems;
- 7 (6) adopt rules regarding the operation of the fund;
- 8 (7) pay expenses of the fund based on an assessment on
9 investor contributions; and
- 10 (8) alternatively, or in combination with its own staff,
11 contract for the management of investments under this section with
12 a private investment management firm or with an investing fund or
13 system electing a member of the board of trustees.
- 14 (g) In making investments, including venture capital
15 investments, the board of trustees shall exercise the judgment and
16 care under the circumstances then prevailing that persons of
17 ordinary prudence, discretion, and intelligence exercise in the
18 management of their own affairs, not in regard to speculation but
19 in regard to the permanent disposition of their funds, considering
20 the probable income as well as the probable safety of the capital
21 of the fund. All investments of the fund shall be directly related
22 to the creation, retention, or expansion of employment opportunity
23 and economic growth in Texas. In making venture capital
24 investments, all other material matters being equal, the board of
25 trustees shall invest in technological advances that could be
26 expected to result in the greatest increase in employment
27 opportunity and economic growth in Texas.

1 (h) The board of trustees shall establish and operate the
2 fund to the extent practical under the generally accepted business
3 procedures relating to a mutual fund and shall value the
4 investments for determining the purchase or sales price of
5 participating shares of investing funds or systems participating in
6 the fund consistent with investment contracts. Evidences of
7 participation in the fund shall be held by the state treasurer in
8 keeping with the custodial responsibilities of that office.

9 (i) An investing fund or system, without liability at law or
10 in equity to members of the governing board of the fund or system
11 in their personal or official capacities, may cumulatively invest
12 in the Texas growth fund not more than one percent of the book or
13 cost value of the investing fund or system, as determined at the
14 end of each fiscal year.

15 (j) The board of trustees shall establish criteria for the
16 investment of not more than 10 percent of the fund in venture
17 capital investments. Not more than 25 percent of the funds
18 available for venture capital investments may be used for
19 unilateral investment. Investments of the remainder of the funds
20 available for venture capital investments must be matched at least
21 equally by funds from sources other than the fund, with matching
22 amounts established by the board of trustees. The board of
23 trustees shall also establish criteria for the investment of not
24 less than 50 percent of the fund in equity or debt security, or a
25 combination of equity and debt security, for the initial
26 construction, expansion, or modernization of business or industrial
27 facilities in Texas. The board of trustees may invest in money

1 funds whose underlying investments are consistent and acceptable
2 under the investment policy of the fund.

3 (k) On a quarterly basis, the amount of income realized on
4 investments under this section shall be distributed to each of the
5 systems and funds investing in the Texas growth fund in proportion
6 to the number of participating shares of each investing system and
7 fund. Capital appreciation becomes a part of the corpus of the
8 Texas growth fund and shall be distributed in accordance with the
9 investment contracts.

10 (l) The board of trustees shall make arrangements to begin
11 liquidation, phase out investments, and return the principal and
12 capital gains on investments to the investors in the fund not later
13 than the 10th anniversary of the date of the adoption of this
14 section. Except under unusual circumstances where it may be
15 necessary to protect investments previously made, further
16 investments may not be made in or by the fund after the 10th
17 anniversary of the date of the adoption of this section.

18 (m) At the regular legislative session next preceding the
19 10th anniversary of the date of the adoption of this section, the
20 legislature, by two-thirds vote of each house, may authorize the
21 creation of Texas growth fund II, which shall operate under this
22 section and under the board of trustees created by this section in
23 the same manner as the Texas growth fund. Funds in Texas growth
24 fund II may not be commingled with funds in the Texas growth fund.

25 (n) The board of trustees may purchase liability insurance
26 for the coverage of the trustees, employees, and agents of the
27 board.

1 (o) The legislature shall provide by law for the periodic
2 review of the board of trustees in the same manner and at the same
3 intervals as it provides for review of other state agencies, except
4 that the legislature shall provide that the board of trustees is
5 not subject to abolishment as part of the review process.

6 (p) This section expires September 1, 1998, except that if
7 the legislature authorizes the creation of Texas growth fund II as
8 provided by Subsection (m) of this section, this section expires
9 September 1, 2008.

10 (q) This section is self-executing and takes effect on its
11 adoption by the voters. All state officials named in this section,
12 the state treasurer, and the comptroller of public accounts shall
13 take all necessary actions for the implementation of this section.
14 The legislature shall provide by law for full disclosure of all
15 details concerning investments authorized by this section.

16 (r) The board of trustees may not invest money from the
17 Texas growth fund in a business unless the business has submitted
18 to the board of trustees an affidavit disclosing whether the
19 business has any direct financial investment in or with South
20 Africa or Namibia.

21 SECTION 2. Article VII of the Texas Constitution is amended
22 by adding Section 11b to read as follows:

23 Sec. 11b. Notwithstanding any other provision of this
24 constitution, in managing the assets of the permanent university
25 fund, the Board of Regents of The University of Texas System may
26 acquire, exchange, sell, supervise, manage, or retain, through
27 procedures and subject to restrictions it establishes and in

1 amounts it considers appropriate, any kind of investment, including
 2 investments in the Texas growth fund created by Article XVI,
 3 Section 70, of this constitution, that persons of ordinary
 4 prudence, discretion, and intelligence, exercising the judgment and
 5 care under the circumstances then prevailing, acquire or retain for
 6 their own account in the management of their affairs, not in regard
 7 to speculation but in regard to the permanent disposition of their
 8 funds, considering the probable income as well as the probable
 9 safety of their capital. This section does not affect the state
 10 treasurer's custodial responsibilities for public funds,
 11 securities, and other evidences of investment.

12 SECTION 3. Article VII, Section 5, of the Texas Constitution
 13 is amended by adding Subsection (d) to read as follows:

14 (d) Notwithstanding any other provision of this
 15 constitution, in managing the assets of the permanent school fund,
 16 the State Board of Education may acquire, exchange, sell,
 17 supervise, manage, or retain, through procedures and subject to
 18 restrictions it establishes and in amounts it considers
 19 appropriate, any kind of investment, including investments in the
 20 Texas growth fund created by Article XVI, Section 70, of this
 21 constitution, that persons of ordinary prudence, discretion, and
 22 intelligence, exercising the judgment and care under the
 23 circumstances then prevailing, acquire or retain for their own
 24 account in the management of their affairs, not in regard to
 25 speculation but in regard to the permanent disposition of their
 26 funds, considering the probable income as well as the probable
 27 safety of their capital.

1 SECTION 4. The following unnumbered transitional provision
2 is added to the Texas Constitution to read as follows:

3 TRANSITIONAL PROVISION. (a) In making the initial
4 appointments of public members of the board of trustees of the
5 Texas growth fund, the governor shall appoint two members for terms
6 expiring February 1, 1991, and two for terms expiring February 1,
7 1993.

8 (b) This provision expires September 1, 1989.

9 SECTION 5. This proposed amendment shall be submitted to the
10 voters at an election to be held November 8, 1988. The ballot
11 shall be printed to provide for voting for or against the
12 proposition: "The constitutional amendment to provide for the
13 investment of the permanent university fund, the permanent school
14 fund, and public employee retirement systems in the Texas growth
15 fund created by the amendment, which will directly create, retain,
16 and expand job opportunity and economic growth in Texas."

H.J.R. No. 5

President of the Senate

Speaker of the House

I certify that H.J.R. No. 5 was passed by the House on July 16, 1987, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 5 was passed by the Senate on July 19, 1987, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

RECEIVED: _____

Date

Secretary of State

President of the Senate

Speaker of the House

I certify that H.J.R. No. 5[✓] was passed by the House on
(1)

July 16[✓], 1987, by the following vote:
(2)

Yeas 144[✓], Nays 0, 2 present, not voting[✓]
(3) (4)

Chief Clerk of the House

I certify that H.J.R. No. 5[✓] was passed by the Senate on

July 19[✓], 1987, by the following vote:
(5)

Yeas 29[✓], Nays 0[✓]
(6) (7)

Secretary of the Senate

RECEIVED:

Date

Secretary of State

**** Preparation: 'A;CT47;

By *Shuter*

HOUSE JOINT RESOLUTION

proposing a constitutional amendment relating to the establishment of the Texas growth fund and the investment of certain state funds in businesses of the state to promote and encourage economic development of the state.

JUN 4 1987

1. Filed with the Chief Clerk.

JUN 30 1987
LAI'D ON TABLE
SUBJECT TO CALL

JUN 22 1987

2. Read first time and referred to Committee on

Business & Commerce

JUN 25 1987

3. Reported favorably ~~(as amended)~~ and sent to Printer at 12:00 pm

JUN 25 1987

JUN 25 1987

4. Printed and distributed at 2:37 pm

JUN 25 1987

5. Sent to Committee on Calendars at 4:01

JUL 16 1987

6. Read second time (amended) and (finally) passed ~~on Third Reading~~ by a Record Vote of 144 yeas, 0 nays, 2 present, not voting.

7. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, _____ present, not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

JUL 16 1987

11. Ordered Engrossed at 11:20 am

JUL 16 1987

12. Engrossed.

JUL 16 1987

13. Returned to Chief Clerk at 1:18 pm

JUL 16 1987

14. Sent to the Senate.

Betty Messer
Chief Clerk of the House

JUL 16 1987

15. Received from the House

JUL 16 1987

16. Read, referred to Committee on STATE AFFAIRS

JUL 17 1987

17. Reported favorably

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

JUL 19 1987

20. Regular order of business suspended by unanimous (a viva voce vote.) consent yeas, _____ nays.

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

JUL 19 1987

22. Read second time passed to third reading by: (a viva voce vote.) _____ yeas, _____ nays.

JUL 19 1987

JUL 19 1987

23. Caption ordered amended to conform to body of bill.

24. Senate and Constitutional 3-Day Rules suspended by vote of 29 yeas,
0 nays to place bill on third reading and final passage.

25. Read third time and passed by

~~(a viva voce vote.)~~
(29 yeas, 0 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King

Secretary of the Senate

July 19, 1987
JUL 19 1987

26. Returned to the House.

27. Received from the Senate ~~(with amendments.)~~
~~(as substituted.)~~

28. House (Concurred) (Refused to Concur) in Senate ^(Amendments)
^(Substitute) by a (Non-Record
Vote) (Record Vote of _____ yeas, _____ nays, _____ present,
not voting).

29. Conference Committee Ordered.

30. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record
Vote of _____ yeas, _____ nays, and _____ present, not voting).

JUL 19 1987

31. Ordered Enrolled at

7:10 pm

HOUSE OF REPRESENTATIVES
1987 JUN 25 PM 2:37

HOUSE OF REPRESENTATIVES
1987 JUL 16 PM 1:18